

107TH CONGRESS  
1ST SESSION

# H. R. 2164

To amend the Agricultural Market Transition Act to gradually reduce the loan rate for peanuts, to repeal peanut quotas for the 2004 and subsequent crops, and to require the Secretary of Agriculture to purchase peanuts and peanut products for nutrition programs only at the world market price, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 13, 2001

Mr. SHAYS (for himself, Mr. KANJORSKI, Mr. KOLBE, Mr. TOOMEY, Mr. ENGLISH, Mr. MILLER of Florida, Mr. BASS, Mr. BARRETT of Wisconsin, Mr. SUNUNU, Mr. BORSKI, Mr. SMITH of New Jersey, Mr. SENSENBRENNER, Mr. LIPINSKI, Mr. KIRK, Mr. UPTON, Mr. SOUDER, Mr. GEKAS, Mr. FRELINGHUYSEN, Mr. BRADY of Pennsylvania, Mr. PALLONE, Mrs. ROUKEMA, Mr. BLUMENAUER, Mr. HUTCHINSON, Mrs. KELLY, Mr. ROHRABACHER, Mr. CRANE, Mr. WAMP, Mr. RYAN of Wisconsin, Mr. CAPUANO, Mrs. MALONEY of New York, Mrs. MORELLA, Mr. PITTS, Mr. GOSS, Mr. LUTHER, Mr. FRANK, Mr. ALLEN, Mr. KELLER, Mrs. BIGGERT, Mr. LOBIONDO, Mr. ROYCE, Mr. GUTIERREZ, and Mr. GEORGE MILLER of California) introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Agricultural Market Transition Act to gradually reduce the loan rate for peanuts, to repeal peanut quotas for the 2004 and subsequent crops, and to require the Secretary of Agriculture to purchase peanuts and

peanut products for nutrition programs only at the world market price, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
 2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. REDUCTION IN LOAN RATES FOR PEANUTS.**

4       (a) LOAN RATE REDUCTION.—Subsection (a) of sec-  
 5       tion 155 of the Agricultural Market Transition Act (7  
 6       U.S.C. 7271) is amended by striking paragraph (2) and  
 7       inserting the following new paragraph:

8               “(2) LOAN RATE.—The national average quota  
 9       loan rate for quota peanuts shall be as follows:

10                   “(A) \$610 per ton for the 2001 crop.

11                   “(B) \$550 per ton for the 2002 crop.

12                   “(C) \$500 per ton for the 2003 crop.”.

13       (b) EXTENSION OF MARKETING ASSESSMENT.—Sub-  
 14       section (g) of such section is amended by striking “2002”  
 15       both places it appears and inserting “2003”.

16       (c) CONFORMING AMENDMENT.—Subsection (h) of  
 17       such section is amended by striking “2002” and inserting  
 18       “2003”.

19       (d) CONTINUED SUSPENSION OF CERTAIN PEANUT  
 20       QUOTA PROVISIONS.—The following provisions of the Ag-  
 21       ricultural Adjustment Act of 1938 shall not be applicable  
 22       to the 2003 crops of peanuts:

23               (1) Subsections (a) through (j) of section 358  
 24       (7 U.S.C. 1358).

1           (2) Subsections (a) through (h) of section 358a  
2           (7 U.S.C. 1358a).

3           (3) Subsections (a), (b), (d), and (e) of section  
4           358d (7 U.S.C. 1359).

5           (4) Part I of subtitle C of title III (7 U.S.C.  
6           1361–1368).

7   **SEC. 2. NONRECOURSE LOANS FOR 2004 AND SUBSEQUENT**  
8           **CROPS OF PEANUTS.**

9           (a) LOAN PROGRAM.—The Agricultural Market  
10 Transition Act is amended by inserting after section 155  
11 (7 U.S.C. 7271) the following new section:

12   **“SEC. 155A. PEANUT PROGRAM FOR 2004 AND SUBSEQUENT**  
13           **CROPS.**

14           “(a) AVAILABILITY OF LOANS.—The Secretary shall  
15 make nonrecourse loans available to producers of peanuts  
16 for each of the 2004 and subsequent crops of peanuts.

17           “(b) LOAN RATE.—

18           “(1) IN GENERAL.—Subject to paragraph (2),  
19 the Secretary shall offer nonrecourse loans to peanut  
20 producers under subsection (a) at a rate equal to not  
21 less than 85 percent of the simple average price re-  
22 ceived by producers for peanuts, as determined by  
23 the Secretary, during the marketing year for each of  
24 the immediately preceding 5 crops of peanuts, ex-  
25 cluding the year in which the average price was the

1       highest and the year in which the average price was  
2       the lowest during the period.

3               “(2) MAXIMUM LOAN RATE.—Notwithstanding  
4       paragraph (1), the loan rate under subsection (a)  
5       shall not exceed \$350 per ton.

6               “(3) ANNOUNCEMENT.—The Secretary shall  
7       announce the loan rate for each crop of peanuts not  
8       later than the February 15 preceding the marketing  
9       year for which the loan rate is being determined.

10              “(c) INSPECTION, HANDLING, OR STORAGE.—The  
11       loan rate determined under subsection (b) for a crop of  
12       peanuts shall not be reduced by any deduction for inspec-  
13       tion, handling, or storage.

14              “(d) LOCATION AND OTHER FACTORS.—The Sec-  
15       retary may make adjustments in the loan rate determined  
16       under subsection (b) for the location of peanuts and such  
17       other factors as are authorized by section 403(a) of the  
18       Agricultural Act of 1949 (7 U.S.C. 1423).

19              “(e) NO NET COST REQUIREMENT.—Loans under  
20       subsection (a) shall be administered at no net cost to the  
21       Commodity Credit Corporation.

22              “(f) MARKETING OF PEANUTS OWNED OR CON-  
23       TROLLED BY COMMODITY CREDIT CORPORATION.—Any  
24       peanuts owned or controlled by the Commodity Credit  
25       Corporation may be made available for domestic edible

1 use, in accordance with regulations issued by the Sec-  
 2 retary, so long as doing so results in no net cost to the  
 3 Commodity Credit Corporation.

4 “(g) COMMODITY CREDIT CORPORATION.—The Sec-  
 5 retary shall carry out the program authorized by this sec-  
 6 tion through the Commodity Credit Corporation.”.

7 (b) REPEAL OF OTHER PEANUT PRICE SUPPORT AU-  
 8 THORITY.—The Agricultural Act of 1949 (7 U.S.C. 1441  
 9 et seq.) is amended—

10 (1) in section 101(b) (7 U.S.C. 1441(b)), by  
 11 striking “and peanuts”; and

12 (2) in section 408 (7 U.S.C. 1428)—

13 (A) in subsection (c), by striking “pea-  
 14 nuts,”; and

15 (B) in subsection (d), by inserting before  
 16 the period at the end the following: “or pea-  
 17 nuts”.

18 **SEC. 3. ELIMINATION OF PEANUT QUOTAS FOR 2004 AND**  
 19 **SUBSEQUENT CROPS OF PEANUTS.**

20 (a) IN GENERAL.—Part VI of subtitle B of title III  
 21 of the Agricultural Adjustment Act of 1938 (7 U.S.C.  
 22 1357 et seq.) is repealed.

23 (b) CONFORMING AMENDMENTS.—

1           (1) DEFINITIONS.—Section 301(b) of the Agri-  
2           cultural Adjustment Act of 1938 (7 U.S.C. 1301(b))  
3           is amended—

4                   (A) in paragraph (3)(A), by striking “corn,  
5                   rice, and peanuts” and inserting “corn and  
6                   rice”;

7                   (B) in paragraph (6), by striking subpara-  
8                   graph (C);

9                   (C) in paragraph (10)(A)—

10                          (i) by striking “wheat, and peanuts”  
11                          and inserting “and wheat”; and

12                          (ii) by striking “; 20 per centum in  
13                          the case of wheat; and 15 per centum in  
14                          the case of peanuts” and inserting “; and  
15                          20 percent in the case of wheat”;

16                   (D) in paragraph (13)—

17                          (i) by striking subparagraphs (B) and  
18                          (C); and

19                          (ii) in subparagraph (G), by striking  
20                          “or peanuts” both places it appears; and

21                   (E) in paragraph (16)(A), by striking  
22                   “rice, and peanuts” and inserting “and rice”.

23           (2) ADMINISTRATIVE PROVISIONS.—Section 361  
24           of the Agricultural Adjustment Act of 1938 (7  
25           U.S.C. 1361) is amended by striking “peanuts,”.

1           (3) ADJUSTMENT OF QUOTAS.—Section 371 of  
2       the Agricultural Adjustment Act of 1938 (7 U.S.C.  
3       1371) is amended—

4           (A) in the first sentence of subsection (a),  
5       by striking “peanuts,”; and

6           (B) in the first sentence of subsection (b),  
7       by striking “peanuts”.

8           (4) REPORTS AND RECORDS.—Section 373 of  
9       the Agricultural Adjustment Act of 1938 (7 U.S.C.  
10      1373) is amended—

11          (A) in subsection (a), by striking the first  
12      sentence and inserting the following new sen-  
13      tence: “This subsection shall apply to ware-  
14      housemen, processors, and common carriers of  
15      corn, wheat, cotton, rice, or tobacco, and all  
16      ginnerers of cotton, all persons engaged in the  
17      business of purchasing corn, wheat, cotton, rice,  
18      or tobacco from producers, and all persons en-  
19      gaged in the business of redrying, prizing, or  
20      stemming tobacco for producers.”; and

21          (B) in subsection (b), by striking “pea-  
22      nuts,”.

23           (5) REGULATIONS.—Section 375(a) of the Agri-  
24      cultural Adjustment Act of 1938 (7 U.S.C. 1375(a))  
25      is amended by striking “peanuts,”.

1           (6) EMINENT DOMAIN.—The first sentence of  
 2           section 378(c) of the Agricultural Adjustment Act of  
 3           1938 (7 U.S.C. 1378(c)) is amended by striking  
 4           “cotton, tobacco, and peanuts,” and inserting “cot-  
 5           ton and tobacco,”.

6           (c) LIABILITY.—A provision of this section or an  
 7           amendment made by this section shall not affect the liabil-  
 8           ity of any person under any provision of law as in effect  
 9           before the application of the provision of this section or  
 10          the amendment in accordance with this section.

11          (d) EFFECTIVE DATE.—The amendments made by  
 12          this section shall take effect October 1, 2003, and shall  
 13          apply with respect to the 2004 and subsequent crops of  
 14          peanuts.

15      **SEC. 4. PURCHASE OF PEANUTS FOR NUTRITION PRO-**  
 16                                      **GRAMS.**

17          Section 14 of the National School Lunch Act (42  
 18          U.S.C. 1762a) is amended by adding at the end the fol-  
 19          lowing:

20          “(h) PURCHASE OF PEANUTS FOR NUTRITION PRO-  
 21          GRAMS.—

22                      “(1) DEFINITIONS.—In this subsection—

23                                      “(A) ADDITIONAL PEANUTS.—The term  
 24                      ‘additional peanuts’ has the meaning given the



1 term in section 358–1(e) of the Agricultural  
2 Adjustment Act of 1938 (7 U.S.C. 1358–1(e)).

3 “(B) COVERED PROGRAM.—The term ‘cov-  
4 ered program’ means—

5 “(i) a program established under this  
6 Act;

7 “(ii) a program established under the  
8 Child Nutrition Act of 1966 (42 U.S.C.  
9 1771 et seq.);

10 “(iii) the emergency food assistance  
11 program established under the Emergency  
12 Food Assistance Act of 1983 (7 U.S.C.  
13 7501 et seq.);

14 “(iv) the food distribution program on  
15 Indian reservations established under sec-  
16 tion 4(b) of the Food Stamp Act of 1977  
17 (7 U.S.C. 2013(b));

18 “(v) the commodity distribution pro-  
19 gram established under section 4 of the  
20 Agriculture and Consumer Protection Act  
21 of 1973 (Public Law 93–86; 7 U.S.C. 612c  
22 note);

23 “(vi) the commodity supplemental  
24 food program established under section 5  
25 of the Agriculture and Consumer Protec-

tion Act of 1973 (Public Law 93–86; 7  
U.S.C. 612c note); and

“(vii) a nutrition program carried out  
under part C of title III of the Older  
Americans Act of 1965 (42 U.S.C. 3030e  
et seq.).

“(2) PURCHASES.—Notwithstanding any other  
provision of law, in purchasing peanuts or peanut  
products to carry out a covered program, the Sec-  
retary shall—

“(A) purchase the peanuts or peanut prod-  
ucts at a price that is not more than the pre-  
vailing world market price for peanuts or pea-  
nut products produced in the United States, as  
determined by the Secretary; and

“(B) in the case of peanut purchases, pur-  
chase only additional peanuts.

“(3) DOMESTIC EDIBLE USE.—Notwithstanding  
any other provision of law, additional peanuts pur-  
chased by the Secretary to carry out a covered pro-  
gram shall not be considered to be peanuts for do-  
mestic edible use under the Agricultural Adjustment  
Act of 1938 (7 U.S.C. 1281 et seq.) or Agricultural  
Market Transition Act (7 U.S.C. 7201 et seq.).

1           “(4) SUPPLY.—The Secretary shall take such  
2           actions as are necessary to ensure, to the maximum  
3           extent practicable, that an adequate supply of addi-  
4           tional peanuts is available to carry out covered pro-  
5           grams.

6           “(5) PENALTIES.—Notwithstanding any other  
7           provision of law, a person that produces additional  
8           peanuts that are sold to the Secretary, or sells addi-  
9           tional peanuts to the Secretary, for a covered pro-  
10          gram shall not be subject to a penalty or other sanc-  
11          tion for the production or sale of the additional pea-  
12          nuts.”.

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